



Tenon Clearwood Builds on FX Hedging Basics



CUSTOMER

Tenon Clearwood

CHALLENGE

Tenon Clearwood had reached the point where managing its FX forward deals in a spreadsheet no longer made sense. A better solution had to be found.

SOLUTION

Its Commercial Manager proposed using Hedgebook to Tenon Clearwood's directors as a simple, affordable tool that ticked all the boxes.

OUTCOME

25-50% of Tenon Clearwood's FX exposure is hedged using forward contracts all of which are managed in Hedgebook. Any spot deals are also captured.

Focus on FX hedging basics pays off

Tenon Clearwood specializes in producing high-quality, defect-free radiata pine wood from the central North Island of New Zealand. Committed to sustainability, it uses eco-friendly practices to meet growing demands across the USA, Europe, and Asia. It covers the risk of movements in foreign exchange rates through the use of FX forward contracts.

Hedgebook is easier than a spreadsheet

When you are only using a fraction of the available functionality there is a concern you will deal with more set up complexity than makes sense - but according to Christine Nash, Tenon Clearwood's Financial Accountant, that wasn't the case with Hedgebook.

"Implementing it was painless," explains Christine. "All existing deals were put into a spreadsheet that we tweaked to match the Hedgebook format - it was uploaded in the system and we started from there.

"We found Hedgebook to be easy to use and very accessible. Support is really good and if I need to know anything, or learn something new, it is just a matter of asking. Even though we are basic users Hedgebook is still infinitely easier than managing FX forward deals in a spreadsheet."

FX risk management important

Even though the Tenon Clearwood financial team are focused on FX forward deals they are still working in a dynamic environment that makes covering FX exposure important to its business.

"While the sawmill largely exports in USD we pay for materials in NZD which is why we have forward deals," explains Christine. "A good percentage of our revenue also comes from Europe which depends on ship sailings that can change daily or weekly or even by the hour - so there is a lot of uncertainty as to when goods will actually land.

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Christine Nash, Financial Accountant,
Tenon Clearwood

“It means we need to monitor if we need to extend the deal or settle part of it – but all of this is very easy to manage in Hedgebook.”

The Tenon Clearwood team also use Hedgebook for year-end reporting to meet the international accounting standards for recording outstanding deals – including accurate third-party valuation. All of which they are able to manage in-house thanks to Hedgebook.

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About Hedgebook

Hedgebook is an intuitive and easy-to-use treasury management system that helps treasurers and finance departments improve the way they record, report and proactively manage foreign exchange, interest rates and commodities risk. Simple and intuitive, Hedgebook provides real-time visibility and insights of hedge positions for better hedging decisions and eases the burden of management and compliance reporting.

For more information visit:
www.hedgebook.com

